



OXFORD ANALYTICA

ISRAEL

MONETARY TRANSPARENCY

Country Report 2005

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ISRAEL



COMPLIANCE RATINGS

<i>Monetary transparency</i>	2005	2004	2003	2002
Clarity of roles	••••	••••	••••	••••
Open decision process	•••	•••	•••	•••
Availability of information	••••	••••	••••	••••
Accountability	••••	••••	••••	••••
Score	3.75	3.75	3.75	3.75

OUTLOOK & COMMENTARY

Israel has maintained its commitment to monetary transparency over the past year, but a new Bank of Israel (BoI) Law -- if passed -- will make a number of improvements that will move Israel closer to standard international practice. The new law is currently before the Knesset (parliament) and would strengthen the BoI's independence. The main BoI objective, according to the new law, would be price stability (through inflation targeting). Two new bodies would also be formed under the law: a Monetary Committee and an administrative council. The Monetary Committee would be responsible for decisions on changes in the interest rate, and for announcing the reasoning behind any decisions taken. The keenness of the new central bank governor, Stanley Fischer, to push this new law through parliament is shared by the Ministry of Finance.

Regulations defining the central bank's role as lender of last resort are also awaiting approval.

EXECUTIVE SUMMARY

3.75 Compliance in progress

Israel has maintained its commitment to monetary transparency this year. In addition, if a new Bank of Israel (BoI) law is passed, the transparency of many areas of monetary policy operations will be greatly enhanced.

May 2005 saw the appointment of a new central bank governor -- Stanley Fischer, an eminent IMF and World Bank economist -- who has put forward the above-mentioned new BoI Law. This has been passed by the government and is currently before the Knesset (parliament). The main BoI objectives, according to the new law, would price stability (through inflation targeting), financial stability, and promoting growth and employment (although not at the cost of the first two objectives). The law also intends to strengthen the central bank's independence and gives the bank the right to use any monetary instrument it requires. Two new bodies would also be formed under the law; a Monetary Committee consisting of the BoI governor, the deputy and three independent members, and an administrative council for personnel issues. The existing Advisory Committee would be disbanded. The Monetary Committee would be responsible for decisions on changes in the interest rate. It would publish formalised timings of meetings and announcements on interest rate changes, as well as publicising the rationale behind any decisions made. It has not yet been finalised whether minutes of meetings would also be published. It is unclear when this law will be passed, but the BoI and the Ministry of Finance (MoF) are keen for its implementation.

Other areas remain to be improved. There is not yet a quarterly update on inflation in addition to the bi-annual *Inflation Report*, and regulations governing the BoI's role as lender of last resort are to be approved. The Real Time Gross Settlement System is currently being constructed; once set up, it will make it possible to settle large payments between individuals and firms in the course of one day, thus improving the speed and reliability of payments made, thereby bringing the BoI in line with international standards.

Israel subscribes to the IMF Special Data Dissemination Standard (SDDS), and the periodicity, timeliness, coverage and quality of data are satisfactory.

Israel's overall score is unchanged from last year.

1. CLARITY OF ROLES, RESPONSIBILITIES AND OBJECTIVES OF CENTRAL BANKS

●●●● Compliance in progress

The objectives and institutional framework of monetary policy

Central bank objectives and responsibilities

The Bank of Israel (BoI) Law sets out the functions and responsibilities of the Bank of Israel. The law places particular emphasis on the independence of the BoI. The BoI formulates and conducts monetary policy, regulates the banking system, and acts as fiscal agent for the government. Israel maintains a flexible exchange rate regime. The central bank does not intervene in the foreign exchange market except for very minor ‘smoothing’ operations typical of all free-floating currency regimes.

The previous BoI governor, David Klein, came under intense criticism for keeping policy too tight. Partly as a result, the government resuscitated the Monetary Policy Advisory Committee, a government-appointed committee comprised of leaders in the business and academic communities, to discuss policy on a regular basis and to advise the BoI and the governor on economic and monetary policy. The committee has no power to decide policy and is viewed as a rubber-stamp for the BoI’s monetary policies. The approval of the Advisory Committee is not needed to change interest rates. Minutes of the Advisory Committee meetings are not published, nor is any critique from the Advisory Committee. The Advisory Committee would like its minutes to be published in order to increase transparency.¹

However, the new central bank governor, Stanley Fischer (an eminent IMF and World Bank economist, who was appointed at the BoI in May 2005), has put forward a new BoI Law. This has been passed by the government and is currently before the Knesset (parliament). The main BoI objectives according to the new law, would be primarily price stability (through inflation targeting), financial stability and, thirdly and not at the cost of the first two, promoting growth and employment. The law also intends to strengthen the central bank’s independence and gives the BoI the right to use any monetary instrument it requires. Two new bodies would also be formed under the law: a Monetary Committee consisting of the governor, the deputy and three independent members, and an administrative council for personnel issues. The existing Advisory Committee would be disbanded. The Monetary Committee would be responsible for decisions on changes in the interest rate. It would publish formalised timings of meetings and announcements on interest rate changes, as well as publicising the rationale behind any decisions taken. It has not yet been decided if minutes of meetings would also be published. It is unclear when this law will be passed, but the BoI and the MoF are keen for its implementation.²

Operational autonomy

Since the 1980s, when reforms to address the crisis of hyperinflation won the central bank its independence, BoI governors have consistently demonstrated the BoI’s operational autonomy from government policy through their control of inflation. Specific events in 2002 contributed to the conservative bias in monetary policy in 2003. First, the governor and the finance minister in 2002 agreed that the former would reduce interest rates in return for the government reducing its deficit. In the event, the governor cut rates, but the government was unable to reduce the deficit. The government then attempted (but failed) to change the BoI law in a way that would have effectively turned the BoI into a department of the Ministry of Finance (MoF).

Part IV of the current BoI law details the procedures for appointments, terms of office, and the criteria for removing the heads and members of the central bank governing body. The IMF has recommended that the BoI law should be “amended to strengthen the central bank independence and reflect international best practice regarding monetary policy objectives and procedures, so as to enhance confidence and minimise the risk that temporary breaches of inflation targets could unhinge expectations.”³ If the new BoI law is passed, which strengthens the central bank’s autonomy and targets inflation, these recommendations will be fully met.

Institutional relationship between monetary and fiscal operations

The laws establishing the BoI clearly distinguish its activities from those of the government.

Monetary and fiscal operations are normally coordinated through formal and informal meetings between the governor, the minister of finance and other senior staff from the BoI and the MoF. The BoI is the official economic adviser to the government. After a difficult year in 2002, when such meetings virtually came to a halt, the ministries increased discussions in 2003; for example, the MoF cooperated fully with the BoI’s request for data to feed its macroeconomic model of fiscal policy. However, this was at management level; the rift between the finance minister and central bank governor remained wide. Since 2004, relations and coordination further improved with a change in officials and in policy, and currently coordination between the BoI and the MoF is good.⁴

The BoI does not engage in substantial quasi-fiscal activities.⁵

Lending to government

According to the existing law, the BoI must not provide loans to finance government expenditure.⁶ However, the BoI is permitted to finance limited cash shortfalls, lend to finance excess expenditures in foreign currency, and provide loans for the repayments of government debt to the BoI. The BoI’s monthly balance sheets disclose the amounts of credits, advances or overdrafts to the government.⁷

Central bank involvement in the rest of the economy

The BoI is not involved in equity ownership, membership on governing boards, procurement or provision of other services for a fee.

Central bank profit allocation

In accordance with the BoI law, the BoI must transfer its net profits to the government within 60 days from the expiration of each fiscal year. Since 1991, the BoI and the MoF have agreed to register part of these profits, known as ‘realised real profits’, as current income in the government budget.

Agency roles performed by the central bank on behalf of the government

The BoI law clearly defines the role of the BoI as the sole fiscal agent and banker to the government.⁸ Normally, the BoI plays an important consultative role in setting the government’s budget and in suggesting areas for new economic and regulatory legislation.

The BoI acts as the manager of foreign exchange reserves. The MoF manages the public debt, accounts of which are published by the BoI. The BoI is responsible for arranging auctions through which tradable government bonds are sold to the public, and issuing non-traded bonds for pension funds and insurance companies for the government.

2. OPEN PROCESS FOR FORMULATING AND REPORTING MONETARY POLICY DECISIONS



Enacted

The framework, instruments and targets of monetary policy

Framework and monetary targets

The inflation target is the main objective of the monetary policy framework.⁹ The BoI's *Inflation Report* details explanations of the interest rate and the monetary instruments used to achieve the inflation target. The report often contains models that help to explain how monetary policy instruments control inflation.¹⁰

However, some commentators have highlighted that the previous governor never indicated the importance he gave to each of the BoI models or to each of the various economic indices at his disposal when making decisions on interest rates. If the new BoI law is passed then this would alter the way in which monetary policy decisions are made, in that it would be the combined decision of the Monetary Committee, rather than purely the decision of the governor. As part of the change in law, there are also plans to publish details of how the committee reached its decision as to whether and by how much to change interest rates, which would improve transparency in this area.¹¹

The BoI has comprehensive inflation forecasts, including 'fan chart' projections of inflation. As of 2003, the projections are for the coming twelve-month period, rather than for the calendar year. The BoI in 2003 also provided, for the first time, a detailed explanation, in English and Hebrew, of the methodology behind its inflation target. There is no explicit weighting given to any one indicator of inflationary pressure.¹² The BoI and the MoF have been working more closely together over the past two years to ensure that their forecasts match.¹³

The IMF has recommended that the BoI "communicate more clearly its policy and its views regarding the inflationary environment in order to continue anchoring expectations within the inflation target range". It recommends that the BoI supplement the semi-annual *Inflation Report* with interim quarterly updates, and that the BoI place more emphasis on the dynamics of future inflation in the report.¹⁴ The BoI agrees on the need for greater transparency, although it is concerned that the markets might misinterpret the additional information -- specifically, the assessment of risks and likely policy response.¹⁵ Again, the policy announcements which would be released if the new BoI law is passed would improve the level of information available to the public.

Monetary instruments

Since 2001 the BoI's ability to use monetary instruments has improved. The BoI operates in the primary and secondary markets for government securities. The lending rate for required reserves at the central bank (the 'auction rate') is the primary tool of monetary policy. Open market operations are conducted in government securities for minor liquidity adjustment. T-bills are issued to operate monetary policy. There are no longer any ceilings on T-bills, and the market for these has widened.¹⁶

The BoI law details all monetary policy instruments.¹⁷ The interest rates on the BoI's lending and auctions for deposits from banks serve as important instruments. The BoI's major monetary policy tool in recent years was the deposit auctions conducted with commercial banks, but it has now moved to the sale of short term notes. In 2002, the BoI embarked on a programme to increase the use of the monetary auctioning of tradable paper, known as *makam*, after the ceiling on *makam* was eliminated in December 2001.¹⁸ This year, the BoI has also adjusted the

way it conducts its monetary auctions. Previously, it lent to banks at preferential interest rates; now that system has been abolished and there is a band -- for deposits at 1% below BoI rates and lending at 1% above BoI rates. Banks also used to be able to carry over any deficits they held on the inter-bank market from day to day -- now transaction balances are closed on each trading day.¹⁹

The monetary policy-making body

Monetary board

The Monetary Policy Forum, headed by the governor, is an informal policymaking body responsible for monetary policy decisions. The Forum advises the governor on monthly monetary plan decisions and consists of directors and senior staff from four departments, including the Research Department, the Monetary Department and the Foreign Exchange Activity Department.²⁰

Up until this year, monetary policy decisions were made by the governor alone. Although this continues to be the case, the new governor, Stanley Fischer is working to change this. The governor also controls all public reporting, giving the appearance of BoI unanimity for all decisions. Differences of opinion and internal disputes only emerge once a senior official resigns and voices such differences to the media.

Amending the BoI Law remains the most important pending legislative change. The BoI supports the recommendations of the 1996 Levin Commission on revising the BoI Law, and is currently waiting for a new BoI Law to be passed by the Knesset. A main provision of the recommendations is the creation of a board of governors to vote on monetary policy, replacing the current arrangement of the unilateral authority of the single governor. Such a change would have a positive bearing on transparency. It would diversify the range of opinions present in the BoI and widen the scope of research undertaken by central bank staff.

Two new bodies would also be formed under the new law: a Monetary Committee consisting of the governor, the deputy and three independent members, and an administrative council for personnel issues. The Monetary Committee would be responsible for decisions on changes in the interest rate.²¹

Advance meeting schedule

Following the monthly meetings of the Monetary Policy Forum, monetary policy decisions, focusing particularly on the interest rate for the month ahead, are published on a pre-announced schedule by press release.²² The BoI does not publicly disclose advance meeting schedules for the forum's monthly meetings, but may start to do so once the new BoI Law is passed.

Public statements on monetary policy

Periodic publications

By law, the BoI must publish certain reports that make it accountable for its actions. The BoI must publish a weekly report in the official gazette, *Reshumot*, showing amounts of currency in circulation and details of assets as cover for liabilities. The BoI Law also specifies the various reports that need to be prepared: the governor must submit an *Annual Report*, including a balance sheet, to the government and the Finance Committee of the Knesset; the governor must also present a monthly report to the government containing the discussions and resolutions of the BoI's Advisory Committee.²³

Changes to the setting of monetary policy instruments have mainly involved the replacement of administrative instruments by market-oriented ones. The governor must consult the Advisory Committee on proposed changes in monetary policy instruments. These are announced immediately after a decision is made and disclosed in the *Annual Report*, the *Inflation Report* and on the BoI's website. The BoI publishes a bi-annual *Inflation Report* that examines monetary developments and the policies needed to achieve the inflation target. This is published on time and copies are available in English. At any time when the money supply increases by 15% or more, the BoI is required to send a special report to the government.

The BoI failed to publish its *Annual Report* for 2001 as a result of an internal dispute between the governor and the worker's committee. The discrepancy was remedied in 2002.²⁴ The *Annual Report* for 2002 was published on time, but as a series of assessments, rather than as a single document. This method of producing the *Annual Report* has continued in 2004 and 2005; whereas previously the research department produced one report, now all departments write a report.²⁵ The *Annual Report* is published in English, but with some lag.

The *National Budget*, an annual publication of the BoI and MoF, includes forecasts for the two years following the budget year. The *National Budget* for 2003 was not published jointly, because of disputes between the BoI and the MoF. Although this has continued to be the case, it is not seen as a concern either by BoI or MoF officials. In fact, officials felt this system was better, in that in the past the reports were weaker because officials had to negotiate numbers, policy and wording, whereas now each report has clear analysis and projections, making the system a positive development for transparency.²⁶ This year, only the MoF has published the National Budget for 2006.²⁷

The BoI has created a multi-year budget, based on budget trends and actual legislation, and published it for the first time in the 2002 *Annual Report*. It was updated in March 2003 to reflect the passage of more than 200 new measures. It is currently being updated to reflect this year's National Budget. The BoI's multi-year budget study is a 70-page analytical report listing each separate budgetary component and each assumption that goes into it.

There is some dispute among economists at the BoI and elsewhere as to whether it is logical for the central bank to produce inflation predictions, one or two years ahead, that are different from the target. The monetary department claims that if the initial prediction varies from the target, it means that the policy should be changed in such a way that the revised prediction will coincide with the target.²⁸

The previous governor has used speeches and press releases as his preferred means of communicating with the public. This centralised the governor's control over the flow of information from the BoI and circumvents the requirement that he hold an ongoing dialogue with the MoF. However, the new governor, Stanley Fischer, is committed to reform and the adoption of standard international practices including more open communication, through the (yet to be passed) new BoI Law.

Commentators noted that the BoI does not present its key underlying assumptions to the public.²⁹

Regulations on data reporting by financial institutions to the central bank

In accordance with the BoI Law, financial institutions must report to the BoI on their assets, liabilities and capital.³⁰ On the request of the governor, each bank must also submit a report on its liquid assets, which is done on a daily, weekly and monthly basis.

In 2003, the BoI began surveying banking sector participants on their attitudes towards future conditions, using the results to inform policy decisions. The results of these surveys might be made public in future, akin to the US Federal Reserve's 'Beige Book' survey.³¹

3. PUBLIC AVAILABILITY OF INFORMATION ON MONETARY POLICY

●●●● Compliance in progress

Release of central bank data

Israel is a subscriber to the IMF Special Data Dissemination Standard (SDDS) and meets its requirements for the coverage, periodicity, and timeliness of financial sector data.³²

Daily interest rate data are disseminated on: the BoI key rate (the policy variable); auction rates for short-term and long-term government securities; the average inter-bank loan rate (a proxy for the policy variable rate); and yields to maturity from secondary markets on government securities: (a) long-term bonds with ten-year maturity, linked to the CPI; and (b) short-term unlinked securities, with maturities of nine to twelve months.

Central bank data are disseminated monthly in millions of New Israeli Sheqalim (NIS) on the analytical accounts of the central bank, and cover the balance sheet of the BoI. Data are disseminated on: reserve money; net domestic claims on the central government (there are no claims on local authorities, non-profit institutions, or non-financial public enterprises); net domestic claims on the private sector; and net foreign assets.

The central bank also produces an international investment position, external debt, exchanges rates and the analytical accounts of the banking sector.

The central bank balance sheet

The BoI publishes monthly balance sheets with a lag of two to three weeks from the end of each reporting calendar month.³³ Annual balance sheets, including a profit and loss account, must be submitted to the government and the finance committee of the Knesset within five months from the end of the BoI's business year. These are posted on the BoI's website and are available in the *Annual Report*. Balance sheets are prepared according to Israeli accounting standards.³⁴

The BoI provides details of aggregate market transactions through its written reports to the legislature. Loans or deposits to commercial banks are undertaken through an auction process.³⁵ The BoI publishes information on this process in the monthly monetary plan for the next period.

Lender of last resort

At present, there are no regulations or policies that govern the BoI's role as lender of last resort. It is expected that a definition of the BoI's role as lender of last resort will be given in 2006. There are currently reforms underway to reduce risk, so that banks are beginning to manage risk and ensuring that the BoI does not have to take on risk alone. There is a risk team with representatives from the major banks working together to try to estimate risks and decide how best to manage them.³⁶ A Real Time Gross Settlement System (RTGS) is currently being established, the major target of which is to reduce risk. All systems within the BoI are to be connected to RTGS. It is hoped that it will be up and running by 2006.³⁷

Public information services

The BoI has a special unit that provides comprehensive information to the public and media on a regular basis. It is, however, subservient to the governor. BoI press releases are invariably designed to highlight only those points that the BoI wishes the public to recognise. Dissenting interpretations of the data are never included in the summaries. This would improve if the new BoI Law is passed, as it would enforce regular public announcements on monetary policy decisions and how they were reached.

The BoI has begun to enhance the public understanding of the inflation process by presenting different economic scenarios. Public information notices are now posted on the BoI website in real time. Only some of these are translated into English, on a discretionary basis.

Improvements to transparency via the BoI website include the cataloguing of 400 publications, searchable by name, topic, author and other parameters. In 2003 directives and legislation on money laundering were posted on the website, with English translations. In 2003 there were improvements in carrying out the *Recent Economic Developments* reports, which previously were translated and posted with a six-month lag and the Shekel exchange value time-series, dating from the establishment of Israel in 1948, was made available on the BoI website. The BoI has now published a further 100 time series data items in an interactive format on the website.³⁸ In 2003, the email addresses of all senior management were posted on the website.³⁹

The BoI is careful about the amount and level of detail of information that it provides to the public as the BoI maintains that the information tends to be distorted by the press.⁴⁰

4. ACCOUNTABILITY AND ASSURANCES OF INTEGRITY BY THE CENTRAL BANK



Compliance in progress

Accountability before a designated public authority

The Knesset's Finance Committee summons the governor to discuss any matters related to the activities of the BoI. This normally occurs three or four times a year. In particular, these meetings are held following the publication of the BoI's *Annual Report* or interim assessments of inflation for the current year that indicate significant changes in trends. The governor often authorises the appearance of other officials before this committee and other institutional bodies.

Financial statement

Audited financial statement

The annual audited financial statement of the BoI is disclosed two months after the end of the financial period. An independent, private sector auditor audits the financial statement. Significantly, detailed information on the expenses and revenues of the BoI are not publicly disclosed.⁴¹

External and internal audit

While internal governance procedures are not publicly disclosed, and therefore are not part of the media debate on the BoI's operations, the state comptroller does have access to the BoI's internal audit reports and can publish its own reports, subject to secrecy constraints.⁴²

Conduct of officials

Rules that regulate the conduct of officials are based on the BoI Law and the code of conduct for central bank employees in Israel.⁴³ In particular, the rules specify how BoI employees should deal with issues such as secrecy and work processes. Legal protection exists for all BoI officials, who are covered by the legal code used for all public employees.

INTERVIEWS

Representatives of *Oxford Analytica* interviewed the following officials during a visit to Israel between 1 and 4 November 2005:

Bank of Israel

2 November 2005

Eyal Argov	Bank of Israel
Dr Ohad Bar-Efrat	International Affairs
Yehudit Golan	International Affairs

3 November 2005

Adi Brender	Senior Economist	Public Sector Analysis, Research Department
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Ministry of Finance

1 November 2005

Israel Kaplan	Senior Director
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3 November 2005

Dr Michael Sarel	Head	Economics and Research Department
Yossi Gordon	Deputy Director	Budget Department
Ron Alroy	Chief Accountant	Accountant General's Office
Avisar Cohen	Senior Deputy Accountant General	Accountant General's Office

ADDITIONAL INTERVIEWS

4 November 2005

Michal Frank	Assistant to the Director General	Israel Government Companies Authority
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3 November 2005

Soli Peleg	Senior Director	Macroeconomics Dept Central Bureau of Statistics (CBS)
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NOTES

- ¹ Interviews in Jerusalem, 11-14 October 2004.
- ² Interviews in Jerusalem, 1-4 November 2005.
- ³ IMF Concludes Article IV Consultation with Israel, April 29, 2004.
- ⁴ Interviews in Jerusalem, 11-14 October 2004 and 1-4 November 2005.
- ⁵ IMF, Report on the Observance of Standards and Codes – Fiscal Transparency Module, April 2004.
- ⁶ Bank of Israel Law, 5714-1954 in Israel's Banking Legislation, July 1996, Article 45(a).
- ⁷ See Bank of Israel website under 'Information and Data' at: www.bankisrael.gov.il
- ⁸ Bank of Israel Law, 5714-1954 in Israel's Banking Legislation, July 1996, Article 57(a).
- ⁹ 'About the Bank of Israel', Bank of Israel website at: www.bankisrael.gov.il. See also IMF, 'Code of Practices on Transparency in Monetary and Financial Policies – Follow-up Questions for Israel FSAP', July 2000, p. 27.
- ¹⁰ www.bankisrael.gov.il/publeng/publeng_pb.htm
- ¹¹ Interviews in Jerusalem, 1-4 November 2005.
- ¹² Interviews in Jerusalem, 27-29 October 2003.
- ¹³ Interviews in Jerusalem, 1-4 November 2005.
- ¹⁴ Israel: 2003 Article IV Consultation—Staff Report; Staff Statement; and Public Information Notice on the Executive Board Discussion, June 2004.
- ¹⁵ Israel: 2003 Article IV Consultation—Staff Report; Staff Statement; and Public Information Notice on the Executive Board Discussion, June 2004.
- ¹⁶ Interviews in Jerusalem, 11-14 October 2004.
- ¹⁷ Bank of Israel Law, 5714-1954 in Israel's Banking Legislation, July 1996, Parts 8-10.
- ¹⁸ Interviews in Jerusalem, 11-13 November 2002.
- ¹⁹ Interviews in Jerusalem, 1-4 November 2005.
- ²⁰ IMF, 'Code of Practices on Transparency in Monetary and Financial Policies – Follow-up Questions for Israel FSAP,' July 2000, p. 29.
- ²¹ Interviews in Jerusalem, 1-4 November 2005.
- ²² See the 'Press Releases' page on the Bank of Israel website at: www.bankisrael.gov.il
- ²³ Bank of Israel Law, 5714-1954 in Israel's Banking Legislation, July 1996, Article 24.
- ²⁴ Interviews in Jerusalem, 27-30 October 2001.
- ²⁵ Interviews in Jerusalem, 11-14 October 2004.
- ²⁶ Interviews in Jerusalem, 27-29 October 2003 and 11-14 October 2004.
- ²⁷ Interviews in Jerusalem, 1-4 November 2005.
- ²⁸ Interviews in Jerusalem, 27-29 October 2003.
- ²⁹ Interviews in Jerusalem, 11-14 October 2004.
- ³⁰ Bank of Israel Law, 5714-1954 in Israel's Banking Legislation, July 1996, Article 56(a).
- ³¹ Interviews in Jerusalem, 27-29 October 2003.
- ³² See the IMF's SDDS website at dsbb.imf.org for the country site of Israel.
- ³³ Bank of Israel Law, 5714-1954 in Israel's Banking Legislation, July 1996, Article 58. These are published in *Reshumot*, the government gazette and are posted on the Bank of Israel website under Bank of Israel Annual Financial statements and end of month balance sheets (monthly update) at: www.bankisrael.gov.il
- ³⁴ IMF, 'Code of Practices on Transparency in Monetary and Financial Policies – Follow-up Questions for Israel FSAP', July 2000, p. 40.
- ³⁵ See 'Monetary Department Auctions' at: www.bankisrael.gov.il
- ³⁶ Interviews in Jerusalem, 11-14 October 2004.
- ³⁷ Interviews in Jerusalem, 11-14 October 2004.
- ³⁸ www.bankisrael.gov.il/series/en/
- ³⁹ Interviews in Jerusalem, 27-29 October 2003.
- ⁴⁰ Interviews in Jerusalem, 11-14 October 2004.
- ⁴¹ IMF, 'Israel: Financial System Stability Assessment, including Reports on the Observance of Standards and Codes on the following topics: Monetary and Financial Policy Transparency; Banking Supervision; Securities Supervision; and Payment Systems,' 10 August 2001.
- ⁴² IMF, 'Code of Practices on Transparency in Monetary and Financial Policies – Follow-up Questions for Israel FSAP,' July 2000, p. 50. See also the Basic Law on the State Comptroller at: www.israel-mfa.gov.il
- ⁴³ 'Re: code of conduct for central bank employees in Israel', Bank of Israel, June 2001, p. 1.